

FOLLOWING ARE QUESTIONS RECEIVED, AND THE RESPONSES THERETO ON SOLICITATION SP4410-98-R-1002, LOGISTICS SUPPORT AT DOD FACILITIES ANY FURTHER QUESTIONS SHOULD BE SUBMITTED TO J. BRANKOVICH BY FAX AT 616 961 4474 OR E-MAIL JBRANKOVICH@DRMS.DLA.MIL. THIS DOES NOT EXTEND THE TIME FOR RECEIPT OF OFFERS.

QUESTION 1: The solicitation is designated as a commercial item. Yet the types of services being procured on a labor hour basis do not meet the definition of commercial item found at FAR 2.101. In fact, 2.101 specifically excludes procurement of services on a hourly rate without an established catalog or market price. In addition, the solicitation specifies an ID/IQ Task order contract while FAR 16.201 mandates a firm-fixed price contract when acquiring commercial items.

RESPONSE: Market price, as defined in the FAR can be the price established in the market – this can be by competition among the vendors. One might also consider that the established catalog price for each category will be the Department Of Labor Wage Determination to be issued with each task order proposal request for a specific area. The task orders will not be labor hour, but as stated in the solicitation will be based on a performance work statement and the firms will provide a fixed price for the task order. DRMS currently has several ID/IQ Task Order Contracts, such as SP4410-98-D-1001 with MANCON. The task orders issued will be fixed price, based on the fixed percentage in the basic contract.

QUESTION 2:

a. All labor categories to potentially be ordered must be listed in the solicitation. This is since costs for things like Worker s Compensation Insurance are labor category driven and can vary.

RESPONSE: The solicitation states the price on the task orders will be BASED on the percentage x the wage rates. Any other state mandated costs or local costs would have to be included in the price for the task order proposal per month, week, annum or however the performance work statement is phrased.

b. Do you intend to invoke DoL Wage Determinations with the low or the high H & W benefits? This is a significant driver.

RESPONSE: The wage determinations reviewed by the contracting officer only show one H & W benefit. If there are more, the firms offering must determine what is appropriate for the area and base their price on the most appropriate H & W for the area. We expect firms to be the experts in what the market is in the various areas, not the Government.

c. Costs for unemployment, worker s compensation and like items vary widely from state to state. The percentage multiplier is driven by the locale.

RESPONSE: See response to 2.a and question 8.

d. DoL Wage determinations vary from locale to locale in the vacation requirements and holiday requirements. These affect the multiplier.

RESPONSE: Vacations are the same as Government employees, and start after one year. Holidays may vary. However, your basis is the percentage x the fringes and wages. Therefore your percentage won't vary only the vacation and/or holiday.

e. The bidder is being required to assume inordinate risk. Some of the risk would be mitigated if we could bid per labor category within a zone, not group.

RESPONSE: We listed the known labor categories. If we were sure of all labor categories to be used, we would list them. Sometimes there is no wage determination for labor categories within an area. This does not mean DRMS expects services to be free. Firms would have to base an offer for such an area on local market prices. As stated in the solicitation, the percentage is the BASIS. It does not state it is all inclusive.

QUESTION 3: The solicitation states that labor categories will include associated management support. If this is supervisory, the labor category will not appear on the wage determination. Thus, the wage rate will not be available for percentage multipliers. In fact, without an agreed wage rate, it is not possible to develop a multiplier.

RESPONSE: See response to 2.e

QUESTION 4: Do you intend to make multiple awards for each group of zones and then compete each task order among awardees? If so, what will be the evaluation criteria for award of a task order? We recognize the solicitation says some combination of past performance, price, and/or technical evaluation. Does inclusion of technical evaluation mean you may require technical proposals for some task orders?

RESPONSE: The solicitation states that we intend to make multiple awards and compete task orders. If we did not have multiple awards for each group, there would be no competition. There may be a need for a technical proposal to assure firms understand the scope of the work required. Each task order proposal request will specify what the evaluation criteria will be among the three possibilities.

QUESTION 5: Does the contract maximum of \$5 million apply to each contract awarded or is it to be pro-rated across the contracts as the minimum is.

RESPONSE: We can't pro-rate the maximum, as we intend to compete each task order. It is possible for one firm to "win" more competitions than others. Therefore, the \$5 million stated in the ordering clause will remain the maximum.

QUESTION 6: The \$5 million is far too low and you will hit the maximum long before the 42 months. You should consider raising to \$10 million.

RESPONSE: This is the first contract of its type. If we find we do use the \$5 million quickly and need to re-compete, we will then have a history on which to base our figures more accurately.

QUESTION 7: How do you intend to evaluate price? Assuming all bidders understand and awarding based on lowest percentages would be disastrous. Since you are not requesting cost data, you have no way of performing cost reasonableness.

RESPONSE: FAR prohibits cost data in competitive actions. The solicitation does not state award will be based on lowest percentage. It states award will be made to the best value, based on the percentage and past performance.

QUESTION 8: In developing the percentage multipliers, what is the exact formula? Is it

- a. Wage rate x percentage**
- b. (Wage Rate + Fringe Benefits) x percentage**
- c. (Wage Rate x percentage) + benefit cost or**
- d. Some other formula?**

RESPONSE:

((Wage rate + Fringe Benefits) x percentage) + other state or local mandated costs (i.e., associated management costs, worker s compensation, or unemployment insurance).

Please remember the percentage x wage rate and fringes is the BASIS for the price. The price will be based on the information provided for the instant task order and will most likely be a price per month, per week, or per annum.